

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

Bayside Financial Corporation, and Thomas R.
Merritt, Designated Broker,

Respondents.

NO. C-03-019-03-CO02

**CONSENT ORDER
BETWEEN THE DEPARTMENT
AND THOMAS R. MERRITT**

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Acting Director and Enforcement Chief, Division of Consumer Services, and Thomas R. Merritt (hereinafter as “Respondent Merritt”), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

I. AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Merritt have agreed upon a basis for resolution of the matters alleged in Statement of Charges and Notice of Intent to Revoke License, Prohibit from Participation in the Industry, Collect Past Due Assessments, Collect Examination Fees, and Impose Monetary Fine No. C-03-019-03-SC01, entered January 29, 2003, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent Merritt hereby agrees to the Department’s entry of this Consent Order and further agrees that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve Statement of Charges No. C-02-019-03-SC01, entered January 29, 2003.

Based upon the foregoing:

CONSENT ORDER
THOMAS R. MERRITT

1 A. It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed
2 herein.

3 B. It is AGREED that the parties shall be bound by the terms and conditions of this Consent Order as set
4 forth herein.

5 C. It is AGREED that Respondent Merritt has been informed of his right to a hearing before an administrative
6 law judge, and that he has waived his right to a hearing and any and all administrative and judicial review of the issues
7 raised in this matter, or of the resolution reached herein.

8 D. It is AGREED that Respondent Merritt understands that failure to abide by the terms and conditions of this
9 Consent Order may result in further legal action by the Director. In the event of such future legal action, Respondent
10 Merritt may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not
11 limited to, attorney fees.

12 E. It is AGREED that Respondent Merritt has provided the Department a declaration dated April 30, 2003
13 and stating in part:

- 14 • Respondent Merritt was named Designated Broker for Bayside Financial Corporation ("Bayside") on
15 or about October 10, 2000.
- 16 • Respondent Merritt's employment with Bayside terminated in or around January 2001.
- 17 • Respondent Merritt was unaware that, following the termination of his employment, he remained listed
18 as Bayside's Designated Broker. Respondent Merritt became aware of this fact upon receipt of the
19 Department's Statement of Charges issued March 19, 2003.
- 20 • Respondent Merritt had no knowledge of the activities of Bayside following the termination of his
21 employment, including, but not limited to, payment of annual assessments, maintenance of surety
22 bonds and response to Department directives.
- 23 • Respondent Merritt officially resigns as Designated Broker for Bayside.

24 It is further AGREED that a true and accurate copy of same declaration dated April 30, 2003 is attached hereto and
25 incorporated by this reference as if fully set forth herein.

26 F. It is AGREED that Respondent Merritt's request to resign as Designated Broker for Bayside shall be
27 granted by the Department.

1 G. Respondent Merritt REPRESENTS that, as of the date of entry of this Consent Order, he is not
2 participating in the mortgage broker industry in Washington as a Designated Broker.

3 H. Respondent Merritt AGREES that, in the future, should he wish to participate in the mortgage broker
4 industry in Washington as a Designated Broker or in any other capacity, he shall fully and completely comply with the
5 Mortgage Broker Practices Act and the rules adopted thereunder, and any and all other relevant statutes and regulations
6 in place at that time.

7 I. It is AGREED that the conduct giving rise to the issuance of the above-referenced Statement of Charges
8 will not be considered by the Department in the assessment of any future application for mortgage broker license in the
9 state of Washington, in the event Respondent Merritt wishes to pursue such application.

10 J. It is AGREED that Respondent Merritt has voluntarily entered into this Consent Order, which is effective
11 when signed by the Director's designee.

12 K. It is AGREED that Respondent Merritt has read the Consent Order in its entirety and fully understands
13 and agrees to all of the same.

14 **RESPONDENT:**

15
16 /S/
Thomas R. Merritt

7/25/03
Date

17
18
19 THIS ORDER ENTERED THIS 29th DAY OF July, 2003.

20
21 /S/
Chuck Cross
22 Acting Director and Enforcement Chief
23 Division of Consumer Services
24 Department of Financial Institutions
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